





cielo

Earnings
Release


2Q24

Disclaimer

The Company makes statements about future events that are subject to risks and uncertainties

Such statements are based on our Management's beliefs and assumptions made to the best of our knowledge and based on information currently available to us. Statements about future events include information about our intentions, beliefs or current expectations, as well as those of the members of the Board of Directors and Officers of the Company.

Forward-looking statements and information also include information about possible or assumed future operating results, as well as statements that are preceded, followed by or include the words "believes", "may", "will", "continues", "expects", "anticipates", "intends", "plans", "estimates", or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, and therefore depend on circumstances that may or may not occur. Future results and shareholder value creation may differ significantly from those expressed in or suggested by the forward-looking statements. Many of the factors that will determine these results and values are beyond CIELO's ability to control or predict.

The Company's financial statements are presented in thousands of reais (BRL thousand), in accordance with the Chart of Accounts for Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil.

The rates of change sums in the tables and charts are calculated before rounding.

Agenda

Presentation:

- Daniel Diniz – Head of IR

Q&A:

- Estanislau Bassols – CEO
- Filipe Oliveira – CFO and DRI
- Daniel Diniz – Head of IR

Highlights of the Quarter



Total Payment Volume (TPV) resumes YoY growth trajectory

TPV reached BRL 199 billion in 2Q24, resuming growth trajectory over the same period last year (+1.6%)



Expenses return to registering growth below inflation

Total Recurring Expenses show a growth of +3.8% in 2Q24 over 2Q23, below inflation, even in a context of investments in the transformation program, #PraCimaCielo!, and the expansion of commercial teams



Financial Result shows strong growth

The Financial Result grows BRL 144 million over 2Q23. Performance mainly reflects measures to optimize ARV and liability management initiatives to reduce the average cost of funding



Earnings Before Income Tax (EBT) resumes growth trajectory

Consolidated EBT- excluding the participation of Cateno's minority shareholders- registered BRL 481 million in the quarter, representing a growth of +6.4% over the previous quarter



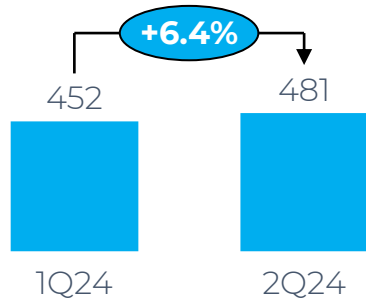
First signs of stabilization in the small and medium business (SMB) segment

Recent months show a resumption of commercial productivity, with increased penetration of pre-payment products and higher revenue yield

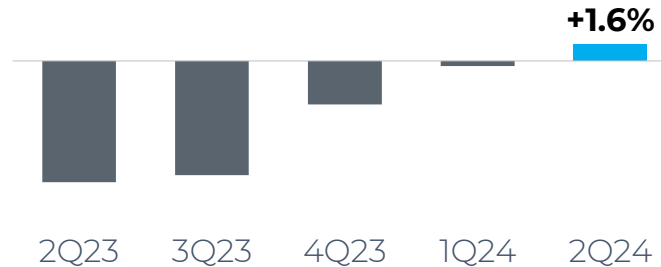
Highlights of the Quarter

Second quarter shows results of the transformation program

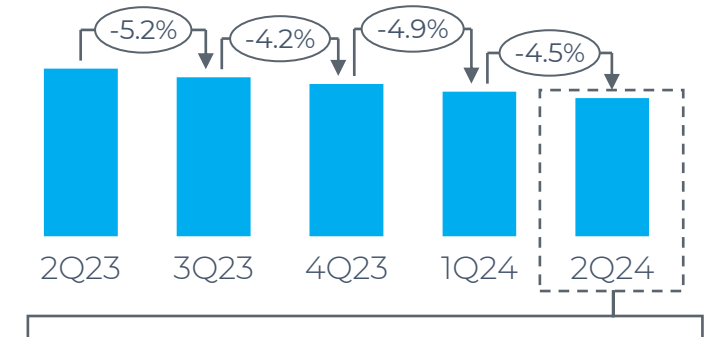
Income Before Tax (EBT)^{1,2}
increases over the previous period (BRL million)



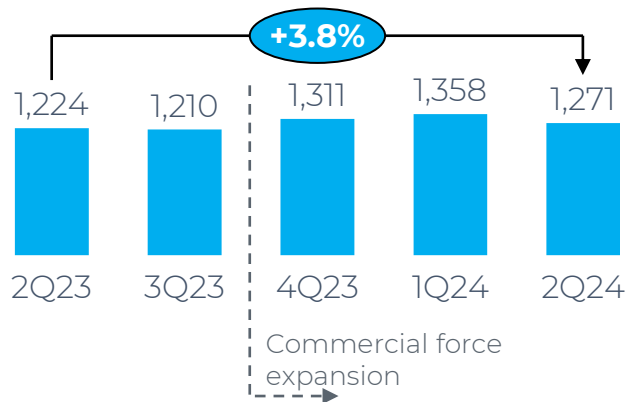
YoY TPV variation
resumes growth (%)



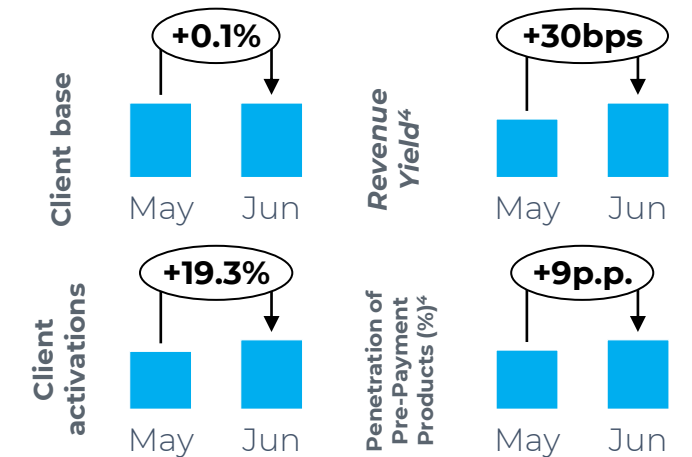
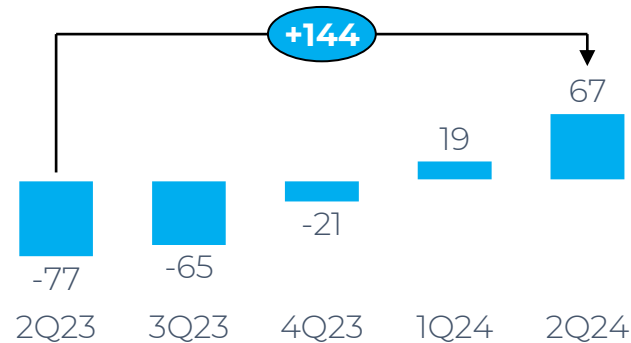
SMB client base³
first signs of a stabilization point in June (thousands)



Total Costs and Expenses
grows below inflation (BRL million)



Financial Result
shows strong growth (BRL million)



First impacts of changes in the commercial strategy: New cohorts in the SMB show a resumption of commercial productivity, increased prepayment penetration, and improved yield

¹ All data refers to Cielo Brazil on a recurring basis, except for Earnings before income tax, which presents a consolidated view; ² Excludes minority participation in the result of Cateno (30%); ³ 30-day active base. ⁴ Customers activated in June

Performance by Business Unit



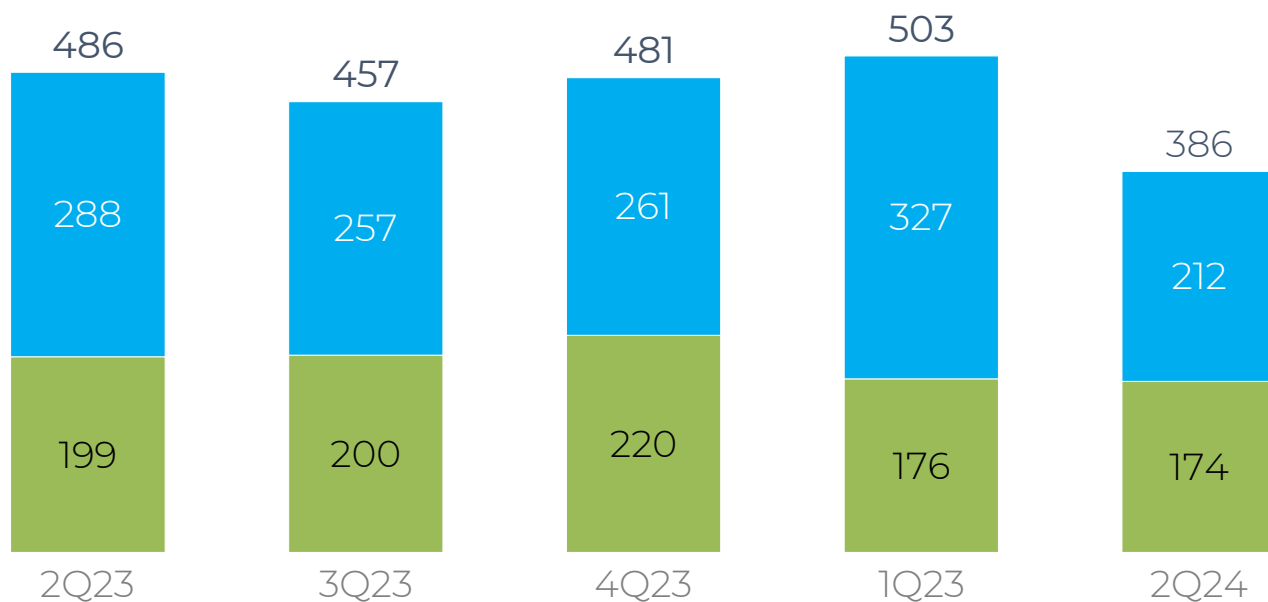
Recurring Net Income

Recurring Net Income reaches BRL 386 million in the quarter. Highlight for the resumption of EBT growth QoQ



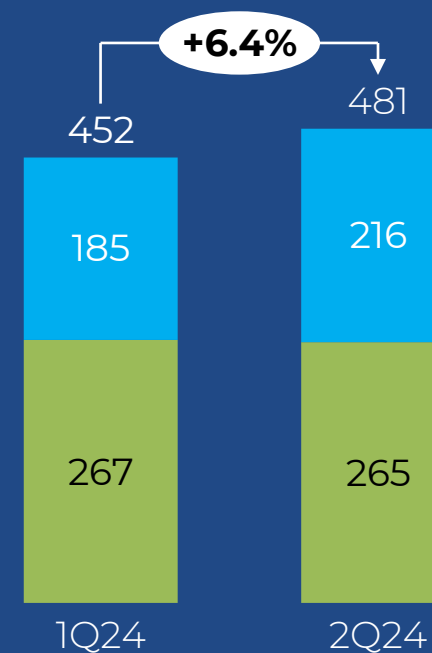
Recurring net income^{1,2}

(BRL million)



EBT^{1,2}

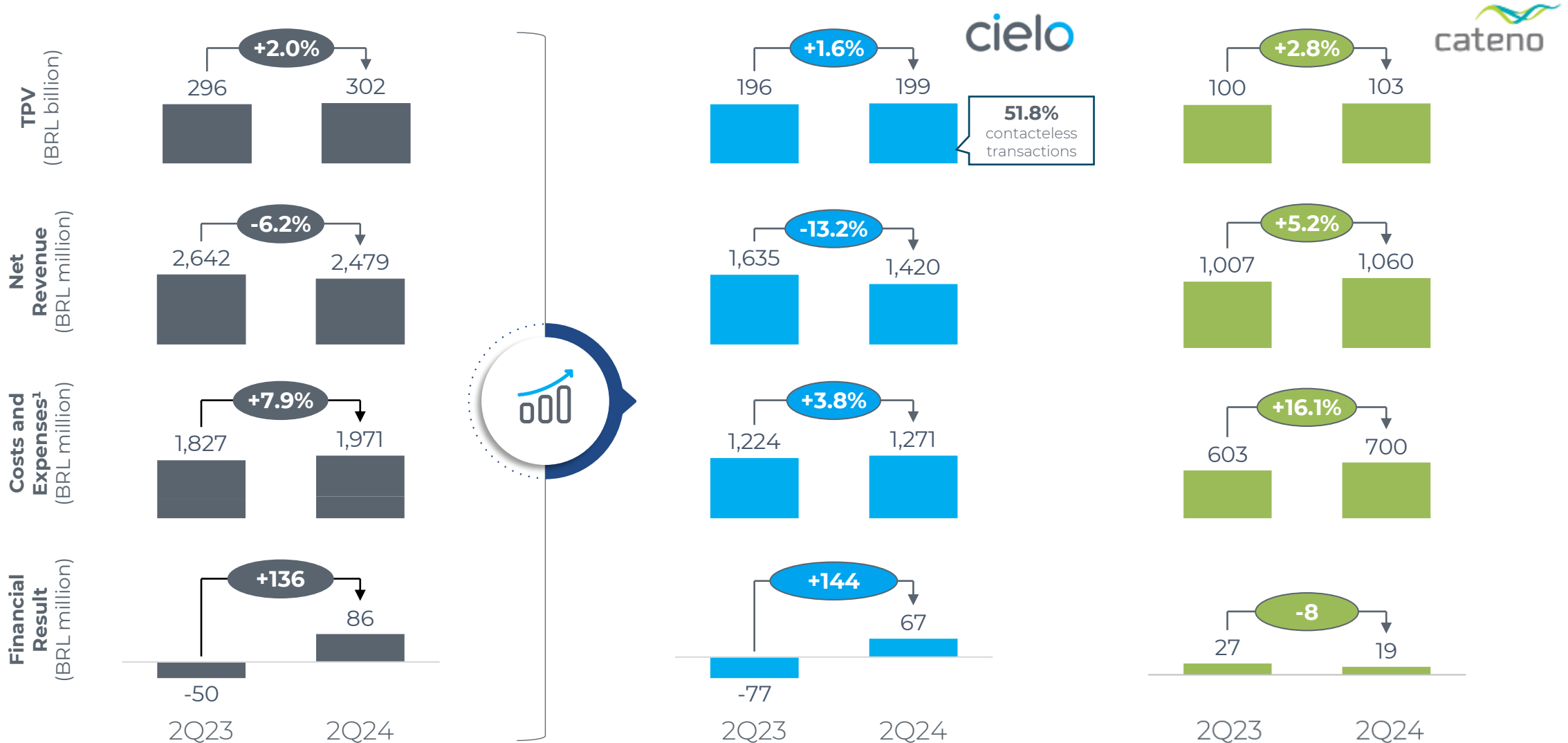
(BRL million)



¹ Excludes non-recurring effects of each period. Reconciliation available in the presentation annex; ² Excludes minority interest in Cateno's results (30%)

Cielo Brazil + Cateno Performance

Cielo Brazil: TPV resumes growth, with expenses below inflation. Highlight for the Financial Result, which shows strong evolution



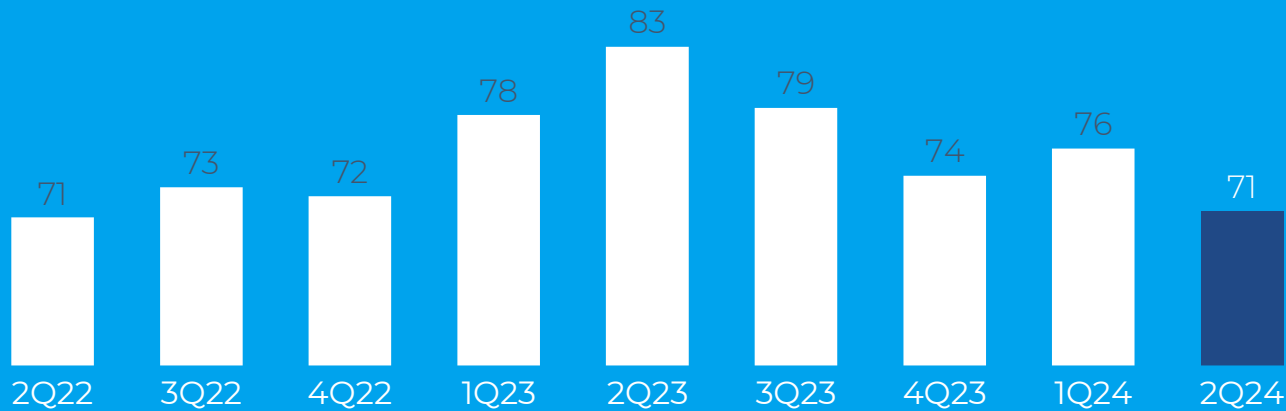
¹ Excludes non-recurring effects of each period. Reconciliation available in the attachment to the presentation.

Revenue Yield

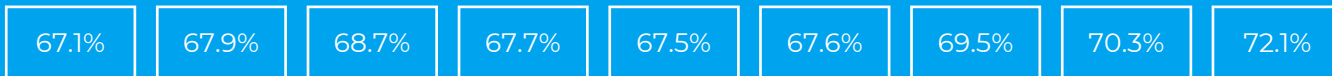
Yield projects stable pricing, mix changes, and customer support initiatives

Revenue Yield

(bps: Net Revenue / TPV)

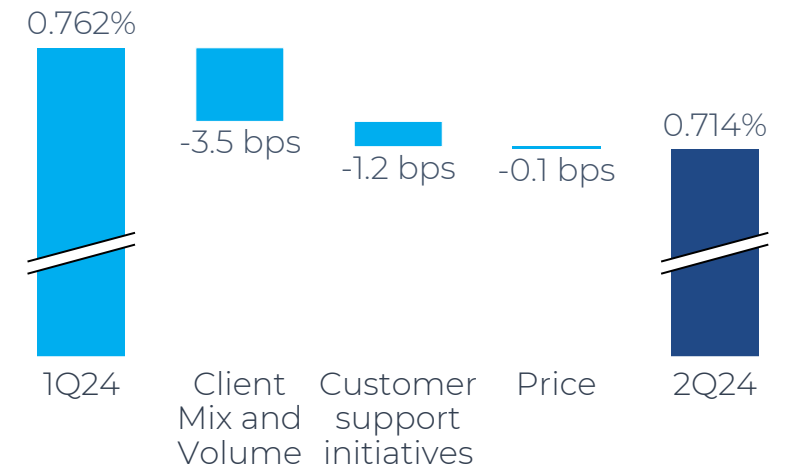


% of large accounts in TPV



Revenue Bridge Yield

(main effects on bps)



In the QoQ change, the main effects were:

- **Customer mix** due to higher stake of Large Accounts in the TPV
- **Customer support initiatives**, for example for clients affected by the floods in Rio Grande do Sul

Operational Efficiency

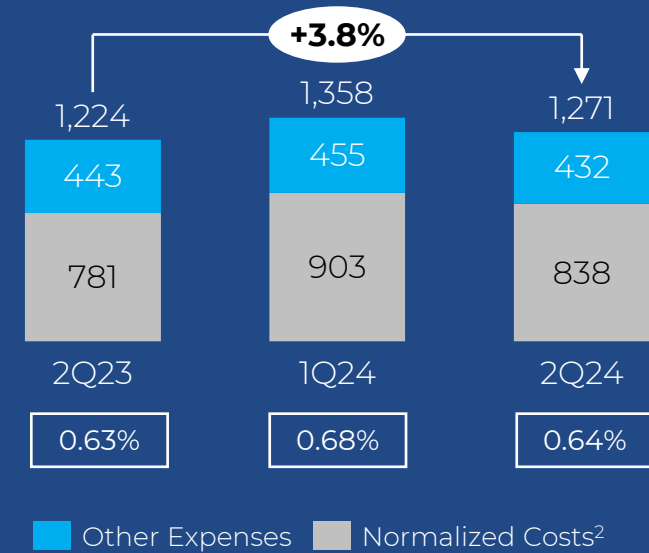
Spending grows below inflation again

- **Total costs and expenses yield decreases by 4 bps** compared to the previous quarter
- **Total expenses show a YoY variation of +3.8%, below the inflation of the period**, even in a scenario of investments with commercial expansion and #PraCimaCielo!
- **Normalized costs of Cielo Brazil decrease by 8.4% YoY**, projecting operational efficiencies that led to lower costs associated with capture and transaction terminals



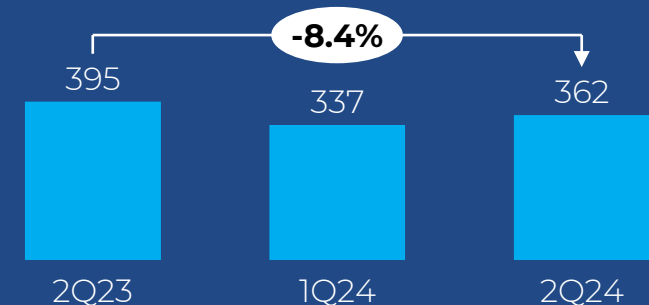
Total costs and expenses and cost and expenses yield¹

(BRL million and %)



Normalized costs²

(BRL million)



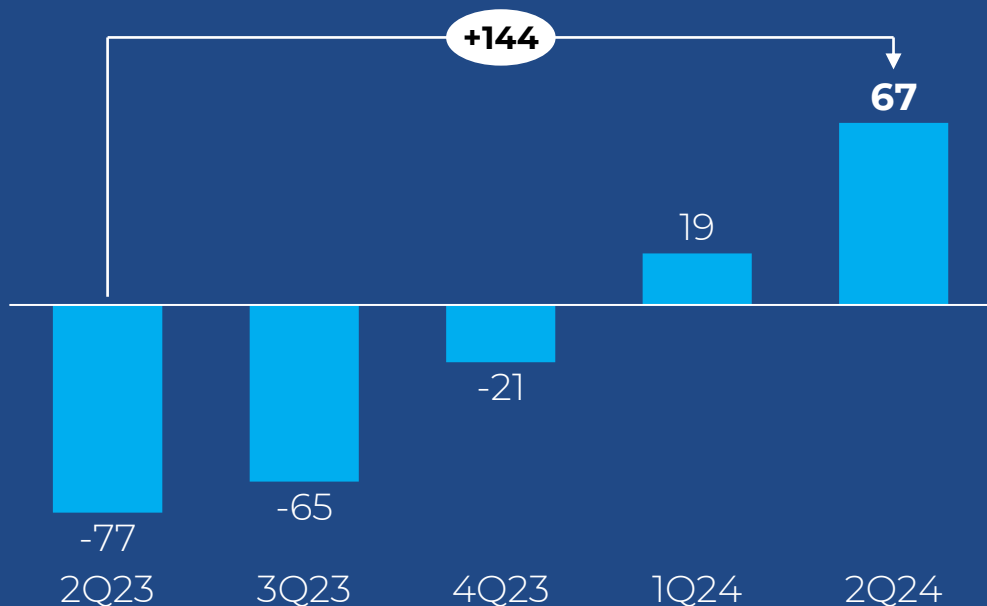
¹ Percentage ratio between Total recurring Spend and TPV; ² "Normalized" corresponds to Cielo Brazil's expenses (costs and/or expenses) less flag fees, subsidies, services provided by banks, PIS and COFINS credits, non-recurring items and D&A costs.

Financial Income

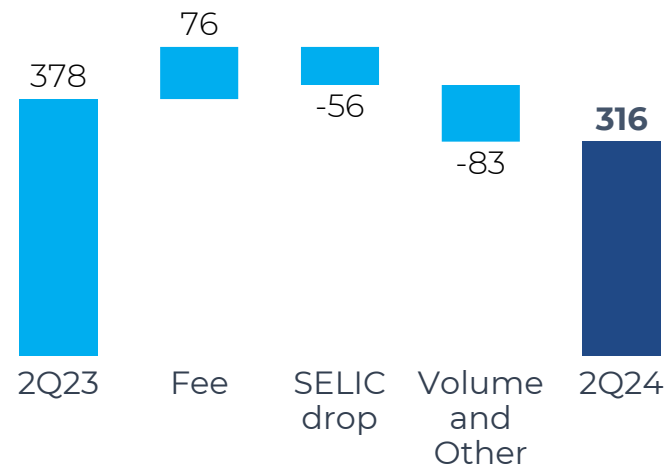
Continued optimization of results

Cielo Brasil Financial Results (BRL million)

- Financial Results reach the **best level since 3Q19**
- Efficiency in financial expenses and maximization of ARV** profitability boost the result

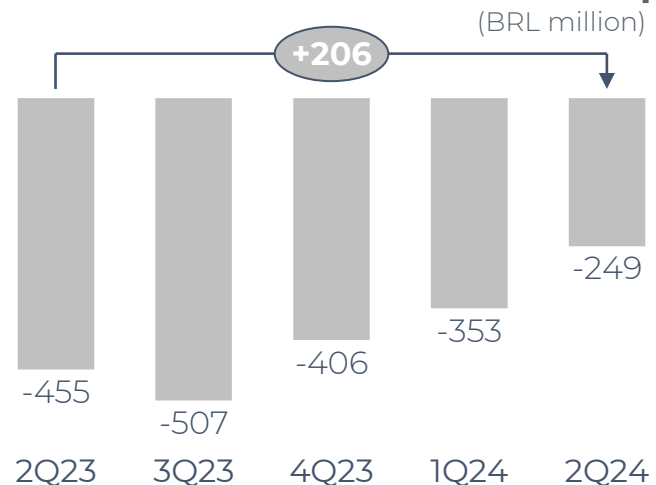


ARV Bridge Revenue (main effects in BRL million)



- Rate efficiencies continue to optimize ARV outcomes
- Average ARV rate in 2Q24: CDI +7.24% (vs. CDI +4.33% 2Q23)
- ARV managerial result grows +26% YoY**

Other financial income and expenses of Cielo Brazil¹



- Company continues to focus on actions to reduce funding costs
- Spread of new funding 81% lower than liquidated debt²**

¹ Includes Financial Revenues and Expenses and Exchange Rate Gains/Losses of Cielo Brazil

² FIDC Issuer I and Private Debentures

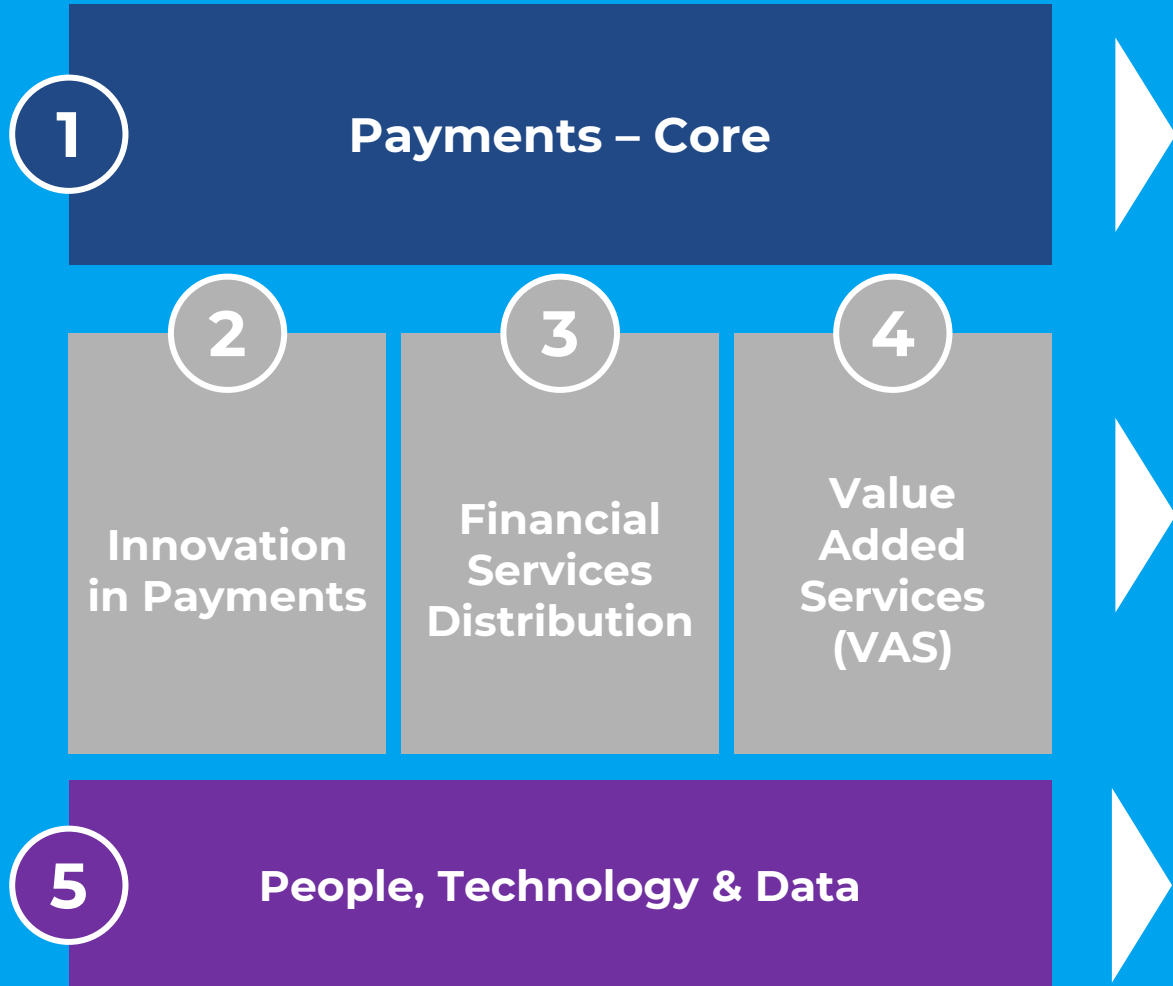
**Consistent,
customer-centric
strategy and
operational
advancements**



2024 Strategy

Consistent strategy and disciplined execution

Pillars



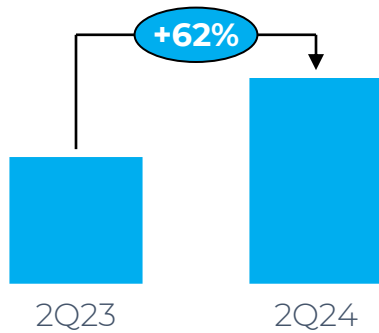
Macro goals

- A** Putting the customer at the center and serving them with excellence
- B** Selling efficiently and profitably
- C** Reaching the next efficiency frontier
- D** Evolving the core product offering
- E** Innovating and exploiting adjacencies in financial services and VAS
- F** Consolidating itself as a leading technology company

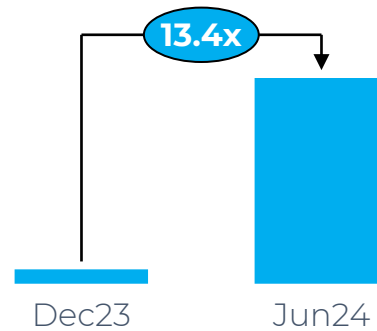
AI/Analytics to value

POS management: Leveraging predictive intelligence

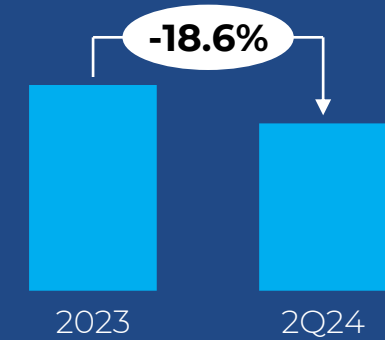
Predictive battery replacement



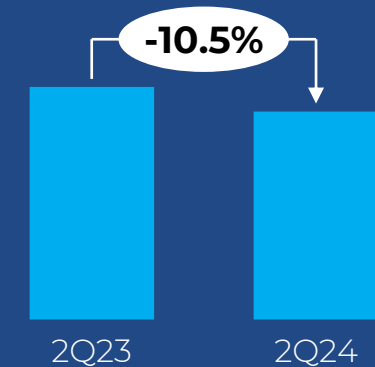
Predictive maintenance for connectivity issues



Machine failure/maintenance rate



Equipment related costs



- **Cielo pioneers** the use of AI for proactive POS maintenance
- **Customer focus:** Anticipate problems before they happen
- **Expansion of the initiative** to new use cases (e.g., communications)
- Two models implemented in 1H24 and **new changes** for 2024
- AI + management measures enable **continuous cost reduction**

Product portfolio evolution

Cielo accelerates product launches and development (core and beyond)

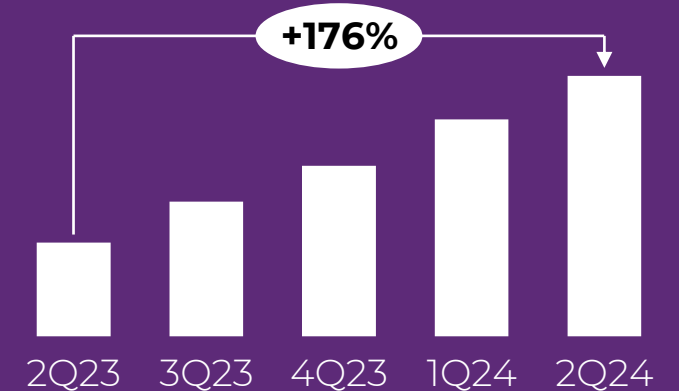
Cielo Tap, our solution now has one of the **easiest and fastest onboardings on the market**



Automatic pre-payment (RA) with new features to sell and receive in one business day

Urban mobility:

New modes and wider acceptance drive TPV growth (+176% YoY)



E-commerce

#PraCimaCielo repositions Cielo's performance in E-commerce

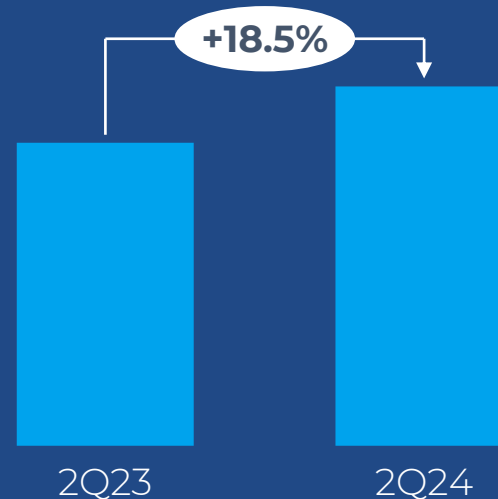
- **Increased use of analytical intelligence** to optimize value generation for the customer
- **Approval rates among the best in the market**, with high level transaction security

Approval rate



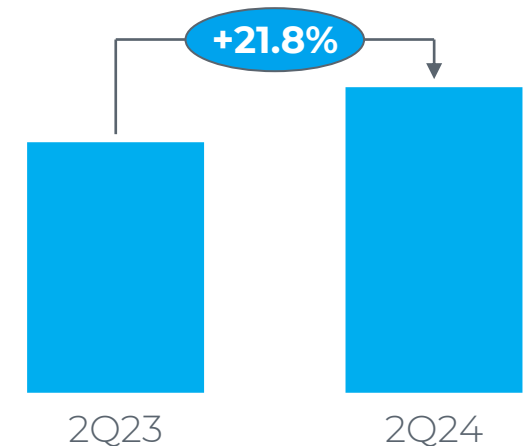
- The evolution is projected in the **growth of customer conversion**, and E-commerce increases its representation in TPV

TPV E-commerce



- **Greater focus of negotiations on the value generated** by our solutions (price for value)
- Contribution **margin shows expansion** superior to the processed volume

E-commerce contribution margin



Exhibits



Reconciliations

Recurring Net Income (BRL million)	2Q24	2Q23	Var. %	1Q24	Var. %
Consolidated	385.6	708.5	-45.6%	503.1	-23.4%
Non-recurring items - Cielo Brasil	-	(149.2)		-	
Non-Recurring Items - Cateno	-	(73.4)		-	
Non-Recurring Items - Other Subsidiaries	-	-		-	
Recurring Net Income	385.6	486.1	-20.7%	503.1	-23.4%
(+) Cateno intangible amortization (70%)	67.5	67.6	-0.1%	67.6	-0.2%
Cash Earnings	453.1	553.7	-18.2%	570.7	-20.6%

Recurring EBITDA (BRL million)	2Q24	2Q23	Var. %	1Q24	Var. %
EBITDA	727.0	1,430.6	-49.2%	746.7	-2.6%
Non-recurring items	-	(384.8)		-	0.0%
Recurring EBITDA	727.0	1,045.8	-30.5%	746.7	-2.6%

The logo for Cielo, featuring the word "cielo" in a lowercase, sans-serif font. The letter "i" has a blue dot, and the letter "o" has a blue segment on its right side. The rest of the letters are white.

cielo

Investor relations

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